

WORKERS ABSENTEEISM CAUSES AND REMEDIES - A STUDY OF ITC COMPANY

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Abstract: This paper explains the causes and remedies of absenteeism and remedies in corporate sector. ITC a leading private company in Indian corporate sector has been selected for the case study. A well structured questionnaire has been constructed to elaborate the responses of employees in the ITC Company.

COMPANY PROFILE – ITC: ITC is one of India's foremost private sector companies with a market capitalisation of around US \$ 4 billion and a turnover of US \$ 2 billion. ITC has a diversified presence in Cigarettes, Hotels, Paperboards & Speciality Papers, Packaging, Agri-Business, Branded Apparel, Packaged Foods & Confectionery, Greeting Cards and other FMCG products. While ITC is an outstanding market leader in its traditional businesses of Cigarettes, Hotels, Paperboards, Packaging and Agri-Exports, it is rapidly gaining market share even in its nascent businesses of branded Apparel, Greeting Cards and Packaged Foods and Confectionery. As one of India's most valuable and respected corporations, ITC is widely perceived to be dedicatedly nation-oriented. Chairman Y.C. Deveshwar calls this source of inspiration "a commitment beyond the market". In his words, "ITC believes that its aspiration to create enduring value for the nation provides the motivate force to sustain growing shareholder value. ITC practices this philosophy by not only driving each of its businesses towards international competitiveness but by also consciously contributing to enhancing the competitiveness of the larger value chain of which it is a part." ITC's diversified status originates from its corporate strategy aimed at creating multiple drivers of growth anchored on its time-tested core competencies: unmatched distribution reach, superior brand-building capabilities, effective supply chain management and acknowledged services skills in hotels.

HISTORY AND EVOLUTION:

ITC was incorporated on August 24, 1910 under the name **Imperial Tobacco Company of India Limited**. As the Company's ownership progressively Indianised, the name of the

Company was changed **from Imperial Tobacco Company of India Limited to India Tobacco Company Limited in 1970** and then to **I.T.C. Limited in 1974**. In recognition of the Company's multi-business portfolio encompassing a wide range of businesses - **Fast Moving Consumer Goods** comprising Foods, Personal Care, Cigarettes and Cigars, Branded Apparel, Education and Stationery Products, Incense Sticks and Safety Matches, **Hotels, Paperboards & Specialty Papers, Packaging, Agri-Business and Information Technology** - the full stops in the Company's name were removed effective September 18, 2001. **The Company now stands rechristened 'ITC Limited,'** where 'ITC' is today **no longer an acronym or an initialised form.**

RECENT DEVELOPMENT IN ITC LTD

BRANDED PACKAGED FOODS: Company rapidly scaled up the Branded Packaged Foods business during the year in the 4 chosen categories viz. snack Foods, Staples, confectionary and Ready to Eat. The year saw launch of a number of differentiated and innovative products leveraging the in-house capability of the ITC Group Research & Development Centre at Bangalore. The Ashirvaad brand - comprising packaged Atta, Salt, Cooking Pastes and Ready to Eat meals - continued to gain increasing consumers franchise during the year. Ashirvaad Atta established itself as the clear market leader amongst national branded players. Plans are on the anvil to extend the 'Aashirvaad' assurance of quality to branded spices in the ensuring year. The year also markets the national rollout of Sunfeast range of biscuits backed by a calibrated ramp up of the supply chain. The innovative products under this brand have garnered significant market standing in a short span of time and are being increasingly accepted by consumers as credible new alternatives to those of the traditional players in the industry. Company's Philosophy of providing differentiated products to the consumer, 'Sunfeast' Pasta Treat whole wheat based non fried product, was introduced as a healthy snacking option for children in 4 exciting flavours. Product range in the Confectionary segment was expanded with the introduction of minto fresh deposited candies in two unique flavours - clove and eucalyptus - and 'Candyman' Eclaris at two convenient prices points. In the Ready to eat segment, product portfolio was expanded with the introduction of several offerings in the popular range under the Aashirvaad Ready Meals banner. The range of offerings was also augmented with the launch of cooking pastes under the 'Aashirvaad' umbrella brand and Conserves and Chutneys under the flagship brand 'Kitchens of India (KOI)

HOTELS:

The year 2004-2005 marked the amalgamation of the erstwhile ITC Hotels Limited and Ansal Hotels Limited with your company. The Scheme of Amalgamation was sanctioned by the Hon'le High Court at Calcutta and the Hon'ble High Court of Delhi at New Delhi on 24th January 2005 and 2nd February, 2005 respectively. Upon completion of requisite formalities, the Scheme became effective on 3rd March, 2005 and operative from 1st April 2004. The hotel industry

continued on its growth path during the year on the back of strong economic growth. Foreign tourist arrivals continued to be buoyant, registering a robust growth 23.5% during the calendar year 2004-2005. ITC Grand Central, your Company's second property in Mumbai was commissioned during the year, marketing yet another significant step towards the strategic objective of establishing the ITC Welcom group chain in the super deluxe segment in key business locations. The hotel has become very popular in a short span of time with its architectural design receiving all round critical acclaim. The business also progressed a product up graduation programme during the year with a view to maintaining the contemporariness of your company's properties. Key initiatives during the year include lobby and coffee shop renovation at the ITC Maurya Sheraton, New Delhi, renovation of guest rooms and suites in ITC Mughal Sheraton, Agra, ITC Windsor Manor Sheraton, Bangalore and ITC Grand Kakatiya Sheraton, Hyderabad. The business also implemented six sigma quality initiatives in select area at the ITC Maurya Sheraton, New Delhi with a view to further enhancing the service edge. During 2004-2005 your company's hotels business posted impressive financial performance with segment revenues growing by 12.4% to touch Rs. 577 crores driven by improved occupancies realizations across properties and the impact of the amalgamation of ITC Hotels and Ansal Hotels. The amalgamated ITC welcome group chain with its globally benchmarked levels of product and services excellence and superior hoteliering capabilities is well positioned to sustain industry leadership.

MEANING AND DEFINITION OF ABSENTEEISM

India is an industrial country. The country is largely dependable on industries. To overrun the economy of country industries play a major role. The success of these industries depends upon the capacity, efficiency, experience and hard work of the workers. An industry will profit if the management is able to reduce absenteeism. Labour turnover is of great importance for the success of an industry. Absenteeism in industrial establishment is the major problem. As we all know that punctuality in attendance is the very basis of a well organized and enlightened society and it forms the backbone of industrial management also. No institution can progress if its workers / employees are not punctual in attendance. It is also the very essence of the contract of employment that the employee must perform their duties diligently and carefully and must not absent from work without any cause during the time he is required to be at work by the terms of his contract of service. If he absents from his duty without any reason, his employer is entitled to take any disciplinary action against him. His wages may be deducted. So absenteeism is the foremost problem of our industry.

DEFINITION: The term absenteeism was properly defined for the first time in a circular of the labour department, Govt. of India issued to the provincial governments before independence. According to it, the absenteeism rate is defined as the total man shifts lost because of absence as percentage of the total number of man shifts schedule. Thus, for calculating the rate of absenteeism one requires the number of persons scheduled to work and the number actually

present. Webster's Dictionary defines, "Absenteeism is the practice or habit of being absent and an absentee is one who actually stays away". Absenteeism has been defined in the Encyclopedia of Social Sciences as the time lost in industrial establishments by the avoidable or unavoidable absence of employees. The time lost in strikes and lockouts or by late coming amounting to hour is usually not included. The United States Department coined the most commonly used definition of the term several years ago of labour bureau of labour statistics. Absenteeism in their views, "is the failure of workers to report on duty or job when they are scheduled to work". It is a term, which is applied to time lost due to sickness or accidents, prevents a workers being on the job, as well as to time spent away from the job for other unauthorized reasons. In the words of K.N. Vaid, "Unauthorized absence is the core of absenteeism measurement". The Labour Bureau Shimla defines absenteeism as the total man shifts lost because of absence as a percentage of the total no. of man shifts scheduled to work. In other words, absenteeism signifies the absence of an employee from work i.e. unauthorized, unexplained, available and willful. Thus absence is a failure of a worker to report when the employer has work available for him and the worker is aware of it and the employer has no reason to expect, well in advance, that the employee will not be available for the work at a specified time. A worker on regularly scheduled vacations should not be considered as scheduled to work or absent. The same is true during an employer's order lay-off. On the other hand, a worker who requests time-off, at other than regular work unit he returns or until it is determined that the absence would be of such duration that his name is to be removed from the list of active workers. After this date he should be considered as neither scheduled to work or absent.

ACCORDING TO LABOUR BUREAU OF SHIMLA: - Absenteeism is the total man shifts lost because of absence as percentage of total number of man shiftsscheduled to work. In other words, it signifies the absence of an employee from work when he is scheduled to be at work. Any employee may stay away from work if hehas taken leave to which he is entitled or on ground of sickness or someaccident or without any previous sanction of leave.

CAUSES OF ABSENTEEISM: Various causes are responsible for too much absenteeism among industrial labour in India. Some of the major causes are genuine but some are not so. They are:

- Serious accidents and illness
- Low morale
- Poor working conditions
- Boredom on the job
- Lack of job satisfaction
- Inadequate leadership and poor supervision
- Personal problems (financial, marital, substance abuse, childcare eldercare etc.)
- Poor physical fitness
- Inadequate nutrition

- Transportation problems
- The availability of income protection plans
- Stress
- Excessive workload
- Employee discontent

LITERATURE REVIEW: Hone, (1968) emphasized on lack of commitment and felt that “absenteeism is related to new values and norms which are developing among the work force as a result of technological developments. Work and leisure are now cherished by the worker, and these he wants to enjoy along with monetary benefits he gets for his services. Economic consideration, therefore, decides whether one would like to be absent from work.” **Paul M Muchinsky (1977)** reviewed the literature on employee absenteeism as a form of withdrawal behavior apart from turnover. Studies examining the psychometric properties of absence measures are reviewed, along with the relationship between absenteeism and personal, attitudinal and organizational variables. Studies exploring the relationship between absenteeism and turnover are examined according to the unit of analysis studied in the research. Programmatic efforts to reduce employee absenteeism are also reviewed. **Daniel G. Spencer and Richard M. Steers** – The article presents a study which examined the relative influence of personal factors and work experiences of employees on employee turnover and absenteeism. According to the results of the study, labour turnover and absenteeism are independent of work experiences and personal factors. The study also determined that absenteeism is predicted more accurately by personal factors than by work experiences. The author notes that personal characteristics exhibit a higher correlation with absenteeism with the turnover. **M. Karthikeyan, Dr.P. Sivakami, (1996)**- Absenteeism is one of the major threats to Indian industry. Absenteeism causing poor utilization of plant India is facing unemployment problem on one side and the other side abnormal absenteeism in industries if our absenteeism can be reduced. We can improve our gross national product without any investment. Absenteeism not only causes production loss but also causes reduction of gross national income, when the gross income of workmen reduces naturally his buying capacity also reduces if he could not manage the primary and secondary needs of timely and properly. He has to face problems like poor family harmony poor health more mental and physical tiredness which will again lead to absenting from work. **Luz J, Green MS (1997)**- Medically certified absence (absence from work attributed to disease and accident) is an important and convenient index of workers’ health and attitudes. It also constitutes the largest part of total absence from work. Depending on the country and on industry and population characteristics, sick-leave accounts for 60-70%, and injuries for another 7-20%. The balance is defined as “healthy-worker absence”, taken with or without prior permission or post factor justification. It is characteristic of the first and last phases of an employee’s history at the firm; either before he has time to become a permanent employee and adapt to the local “absent culture”, or when he contemplates leaving. **Muchinsky, (1997)** conducted study in the same field on the basis of literature review on employee absenteeism and concluded employees’ withdrawal

behavior apart from turnover. Studies examining the psychometric properties of absence measures are reviewed, along with the relationship between absenteeism and personal, attitudinal and organizational variables. Chronic absentees are categorized into four categories such as; entrepreneurs, status seekers, family oriented and sick and old. **Martocchio & Jimeno (2003)** stated that "We propose a model of the personality types that have a higher likelihood of using absenteeism to their benefit (i.e. to recharge and change negative affect) and therefore have the absence be functional (i.e., positive affect and higher productivity upon returning to the job) rather than dysfunctional (i.e., negative affect and person is still unproductive or has less productivity than before the absence event). We conclude by emphasizing the theoretical contributions that this model makes and by suggesting ways in which the model could be tested." **Gomero Caudra, Raul; Llap Yesan, Carlos; Calizaya De la Sota, Livia; Silvera Vallejos, Ramon (2005)**, studies that all the companies develop programs to avoid or to minimize the accidents of the work. Nevertheless, poor technical information exists related to the prevalence and costs from accidents out of work, which difficulty analysis of the problem. Objectives: Analyze the medical tests in the workers of our mining camp generated by accidents out of work. **Wolter H.J. Hassink & Pierre Koning (2009)** find statistically significant differences in absence patterns across groups of workers with different eligibility statuses depending on their attendance records and whether they had previously won. One finding is that absenteeism rose among workers who, having won already, were ineligible for further participation. **Ernest B. Akyeampong** has written a research paper Trends and seasonality in Absenteeism. In this paper the author focus on that at which time period the employees are more absent. **Nisam (2010)** stated that stress among employees, health problems, loneliness at workplace, non-cooperation of colleagues causes absenteeism at workplace.

OBJECTIVES OF THE STUDY

1. To study the level of absenteeism prevailing in the organization.
2. To study the major causes of absenteeism in the organization.
3. To identify steps required to control the Absenteeism.
4. To provide suggestions in the form of solutions to reduce the rate of absenteeism

SCOPE OF THE STUDY: The employees working in the departments listed below: Tobacco, Shirting, Weaving, Carding, Combing.

METHODS OF DATA COLLECTION:

Both primary and secondary data were used together information.

PRIMARY DATA: Through questionnaire and personal interview (unstructured) Structured questionnaire was used for gathering information.

SECONDARY DATA: Through company records.

RESEARCH DESIGN: Explorative research design was designed in order to gain insights into the company and study the causes of absenteeism and suggest remedies.

- The persons were interviewed on one to one basis.
- Most of the questions were close ended.
- The HR executives and jobbers were also interviewed in order to know more about the workers as they are close to the workers and interact quite often.

SAMPLING DESIGN : Convenient sampling was used and the employees were randomly selected. The technique for analysis of the result was judgmental sampling.

SAMPLE SIZE : The sample size was 60 workers including both male and female.

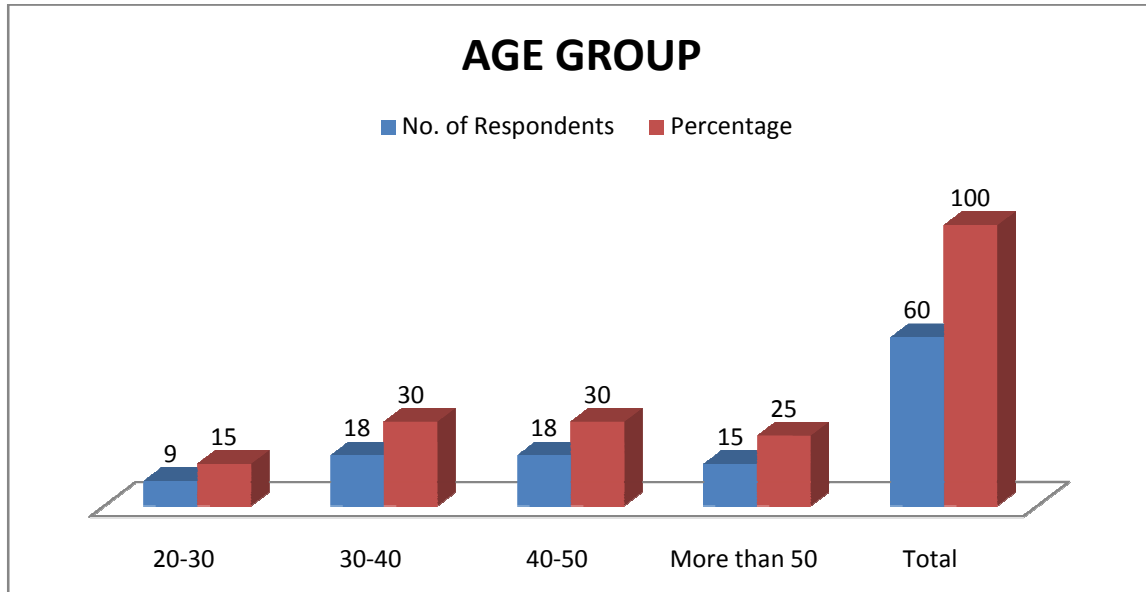
- The employees working in the departments listed below were covered.
- Tobacco, Shirting, weaving, carding, Combing.

DATA ANALYSIS & INTERPRETATION : Data analysis and interpretation was done with the help of pie charts and then drawing conclusions :-

1. AGE BASIS INTERPRETATION

Parameters	No. of Respondents	Percentage
20-30	9	15
30-40	18	30
40-50	18	30
More than 50	15	25
Total	60	100

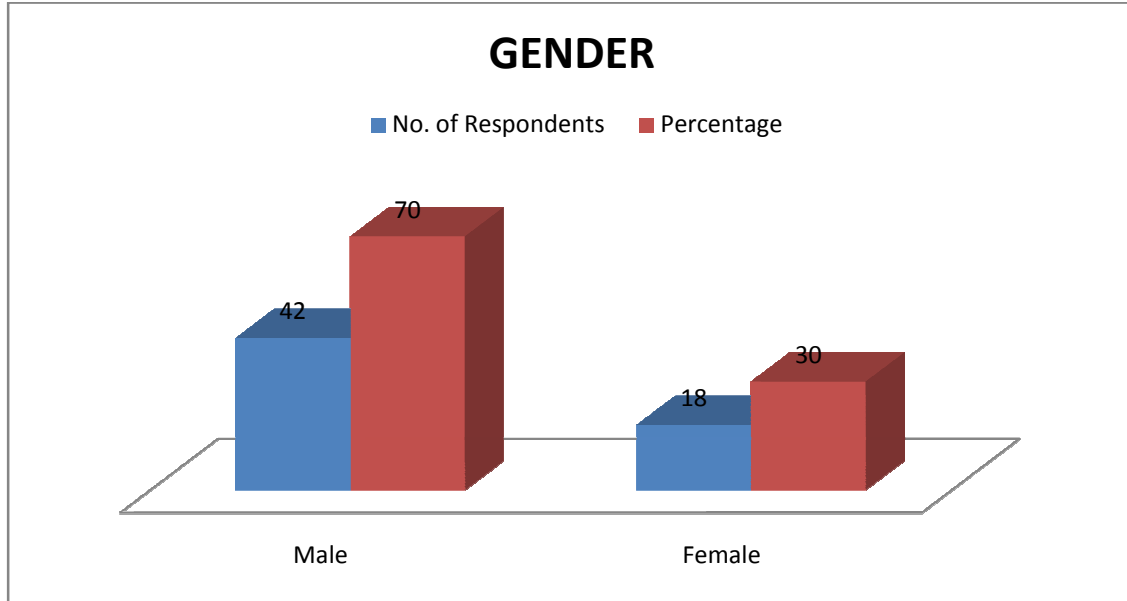
Table No. 1



It has been interpreted that 30% of the employees who participated in the survey are of age group between 30-40, 30% again come under the category between 40-50 age group and the rest of them belong to more than 50(25%) and 20-30(15%) types.

2. Gender base interpretation

Parameters	No. of Respondents	Percentage
Male	42	70
Female	18	30
Total	60	100

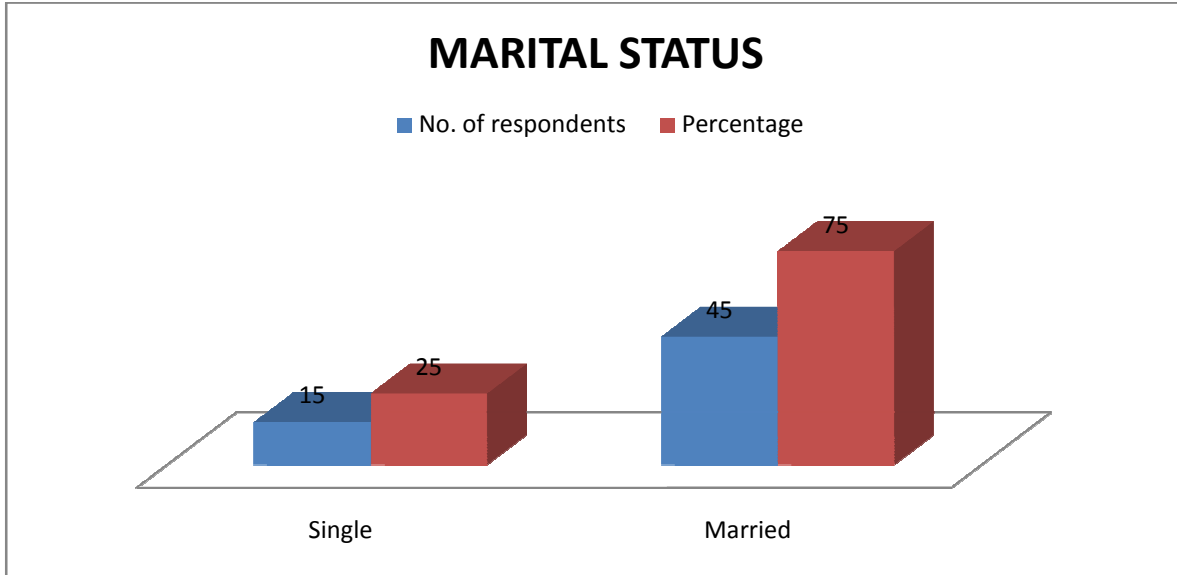


INTERPRETATION: It has been interpreted that 70% of the employees participated in the survey are male and the remaining come under the female category.

3.MARITAL STATUS

Parameters	No. of respondents	Percentage
Single	15	25
Married	45	75
Total	60	100

Table No. 3

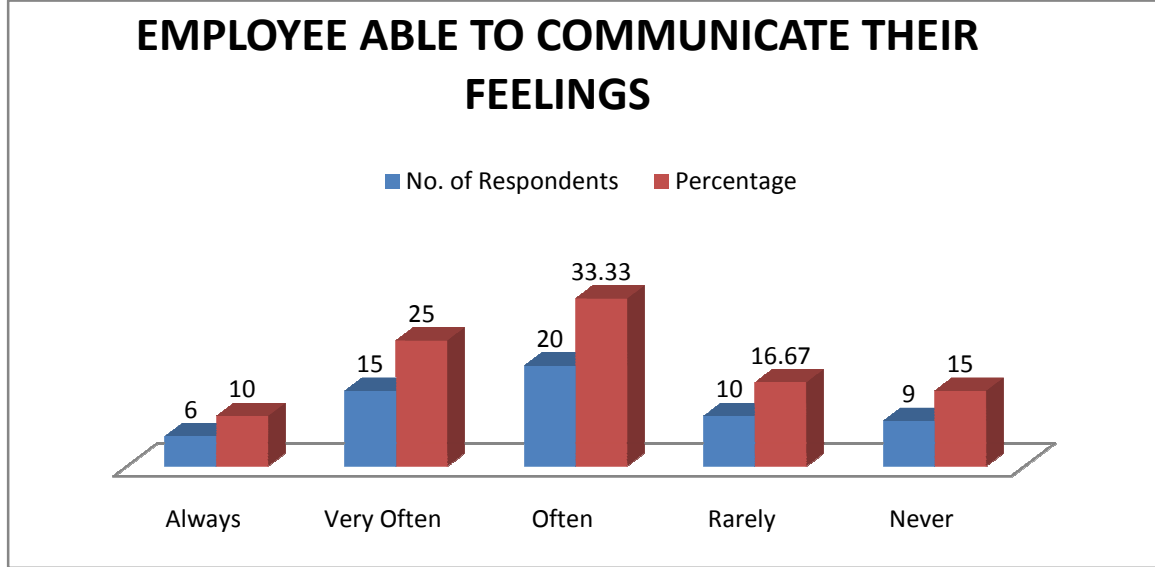


INTERPRETATION-It has been interpreted that 75% of the employees who participated in the survey are married and 25% of respondents are single.

4. EMPLOYEES ABLE TO COMMUNICATE THEIR FEELINGS FOR OTHERS.

Parameters	No. of Respondents	Percentage
Always	6	10
Very Often	15	25
Often	20	33.33
Rarely	10	16.67
Never	9	15
Total	60	100

Table No. 4

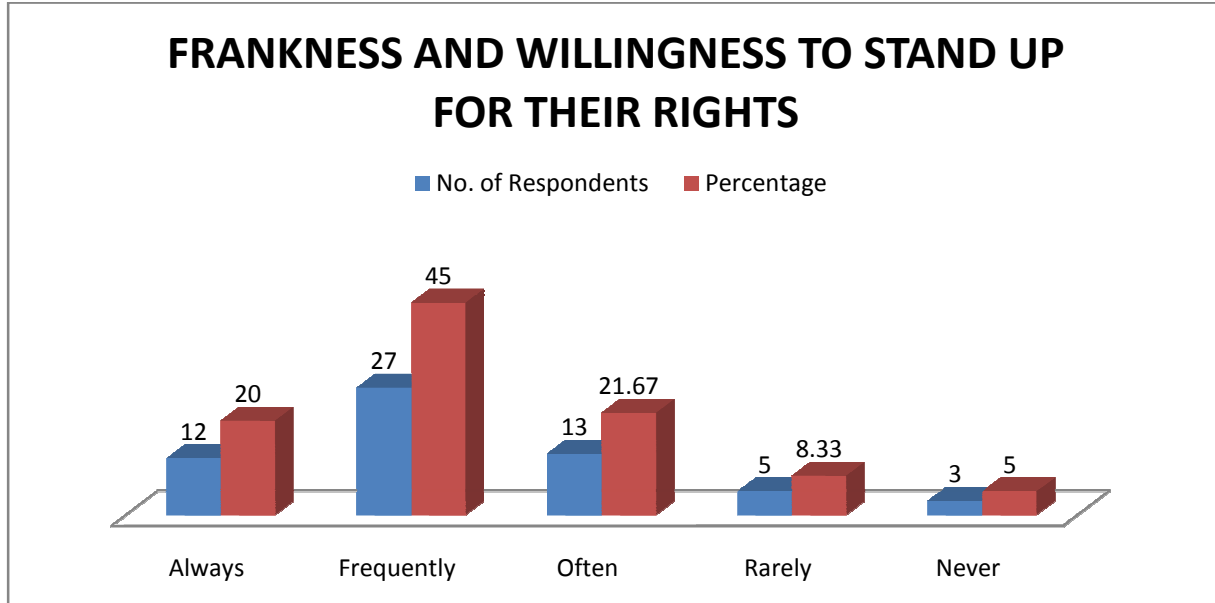


INTERPRETATION- It has been interpreted that 33% of employees have an opinion that they can communicate their feelings to others often, 25% feels it very often. Also we can infer that 17% of the employees rate it as rarely and 15% of them never had any such feelings , but 10% of them feel always free enough too communicate with others.

3, EMPLOYEES – FORTHRIGHT , FRANK AND WILLINGNESS TO STAND UP FOR HIS RIGHTS.

Parameters	No. of Respondents	Percentage
Always	12	20
Frequently	27	45
Often	13	21.67
Rarely	5	8.33
Never	3	5
Total	60	100

Table No. 5

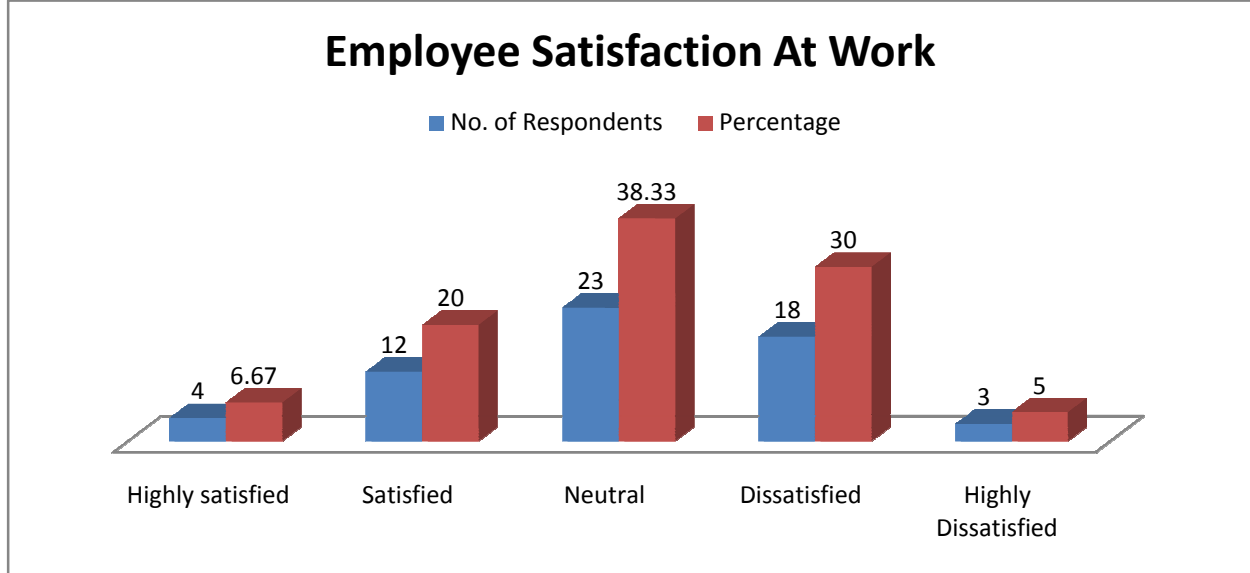


INTERPRETATION-It has been interpreted that 45% of respondents frequently stand up for their rights , 21% stands for it occasionally. Also we can infer that 20% of the employees always stand up for their rights and 8% of them are rare but 5% of them ignore such views.

3.EMPLOYEE SATISFACTION AT WORK

Parameters	No. of Respondents	Percentage
Highly satisfied	4	6.67
Satisfied	12	20
Neutral	23	38.33
Dissatisfied	18	30
Highly Dissatisfied	3	5
Total	60	100

Table No. 6

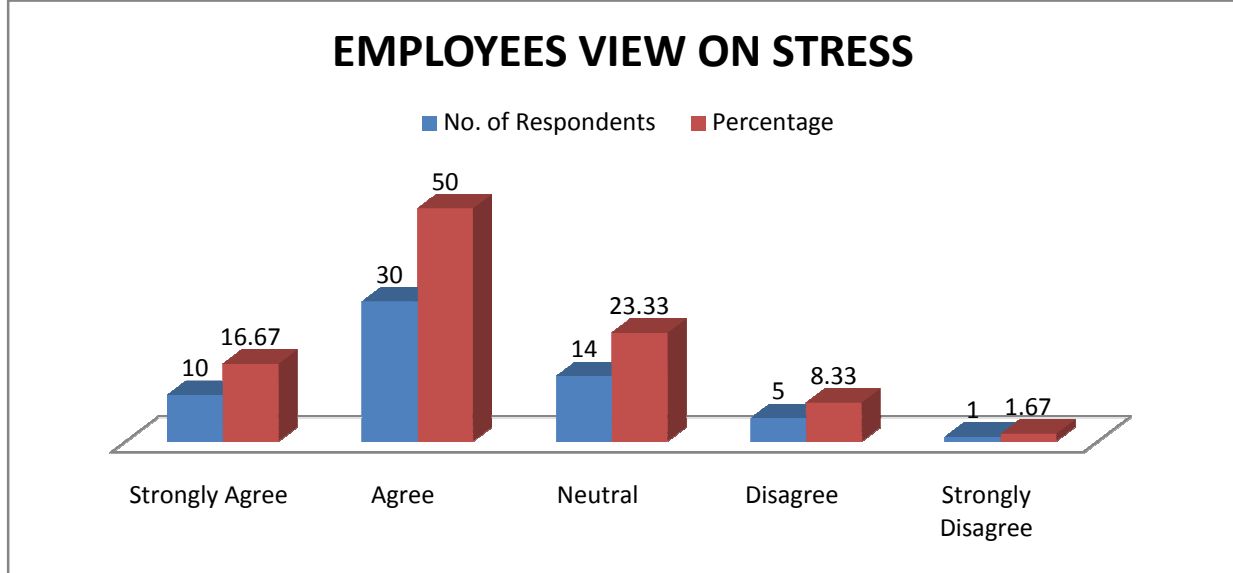


INTERPRETATION-It has been interpreted that 38% of employees have neutral opinion on job satisfaction, 30% are dissatisfied. Also , we can infer that 20% of the employees are satisfied and 7% of them are highly satisfied , but 5% of them are experience high level of dissatisfaction.

1.STRESS PART OF WORK LIFE FOR EMPLOYEES

Parameters	No. of Respondents	Percentage
Strongly Agree	10	16.67
Agree	30	50
Neutral	14	23.33
Disagree	5	8.33
Strongly Disagree	1	1.67
Total	60	100

Table No. 7

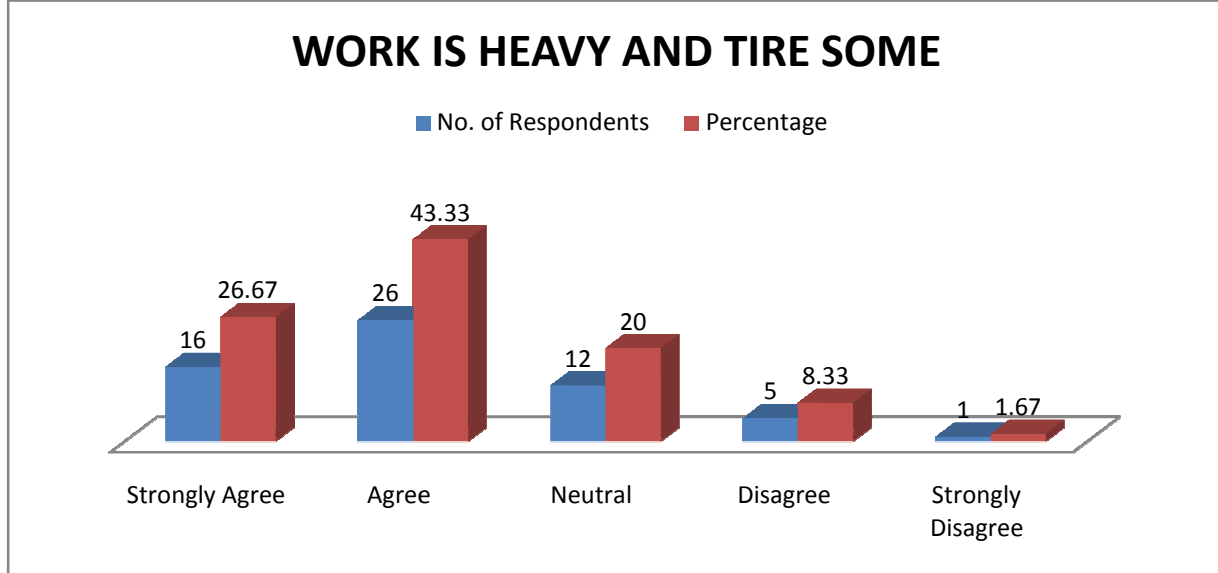


INTERPRETATION-It has been interpreted that 50% of respondents agree that stress is part of their work life, 23% of them view it to be neutral. Also we can infer that 16% of the employees strongly agree and 8% of them disagree but 2% of the strongly disagree.

8. WORK IS HEAVY AND TIRESOME

Parameters	No. of Respondents	Percentage
Strongly Agree	16	26.67
Agree	26	43.33
Neutral	12	20
Disagree	5	8.33
Strongly Disagree	1	1.67
Total	60	100

Table No. 8

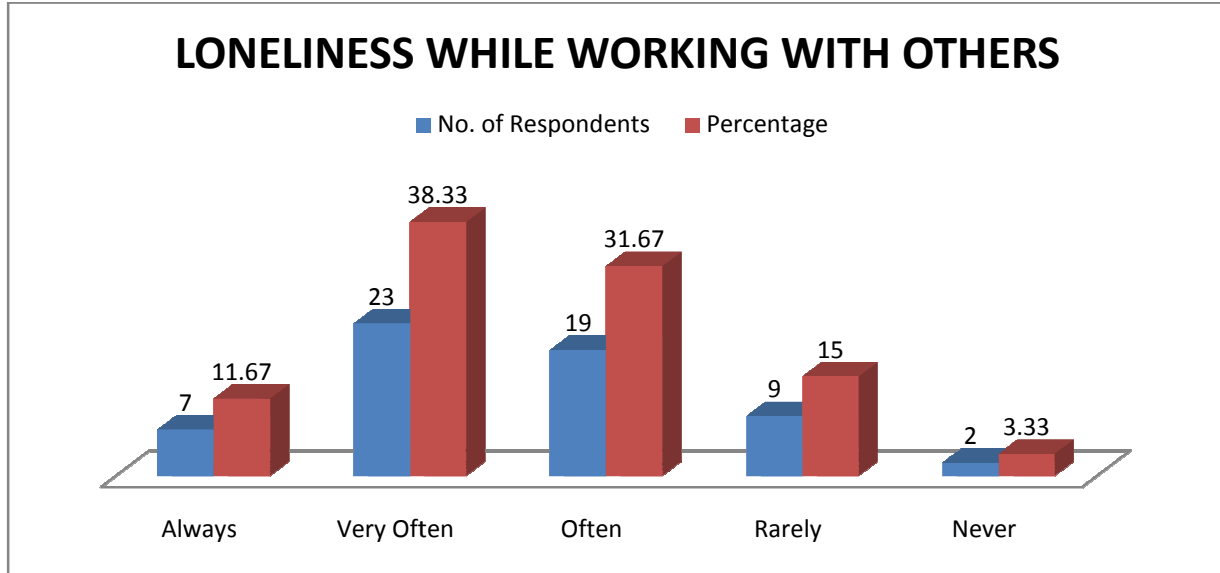


INTERPRETATION-It has been interpreted that 43.33% feel that their work is heavy and tiresome and 26.67% strongly agree that their work is heavy or tiresome, 20% of their view is neutral , 8% disagree and 2% strongly disagree.

9. LONELINESS WHILE WORKING WITH OTHERS

Parameters	No. of Respondents	Percentage
Always	7	11.67
Very Often	23	38.33
Often	19	31.67
Rarely	9	15
Never	2	3.33
Total	60	100

Table No. 9

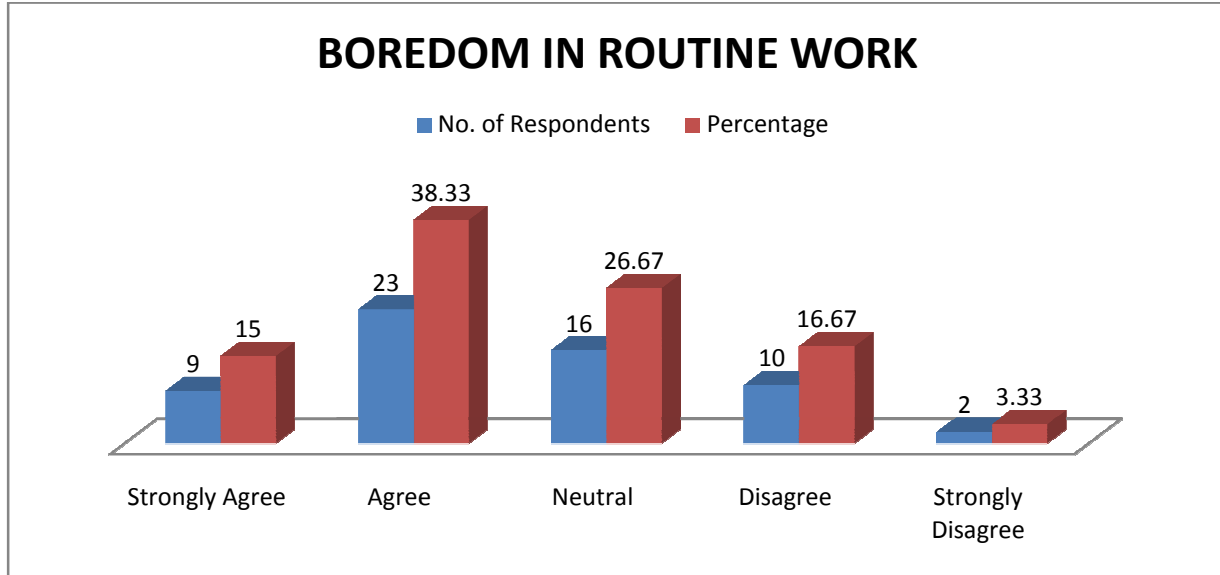


INTERPRETATION-It has been interpreted that 38% of respondents frequently feel lonesome while working with others, 32% feel it sometimes and also we can infer that 15% of them feel it rarely, 12% always and 3% never felt so.

10. BOREDOM IN THEIR ROUTINE WORK

Parameters	No. of Respondents	Percentage
Strongly Agree	9	15
Agree	23	38.33
Neutral	16	26.67
Disagree	10	16.67
Strongly Disagree	2	3.33
Total	60	100

Table No. 10

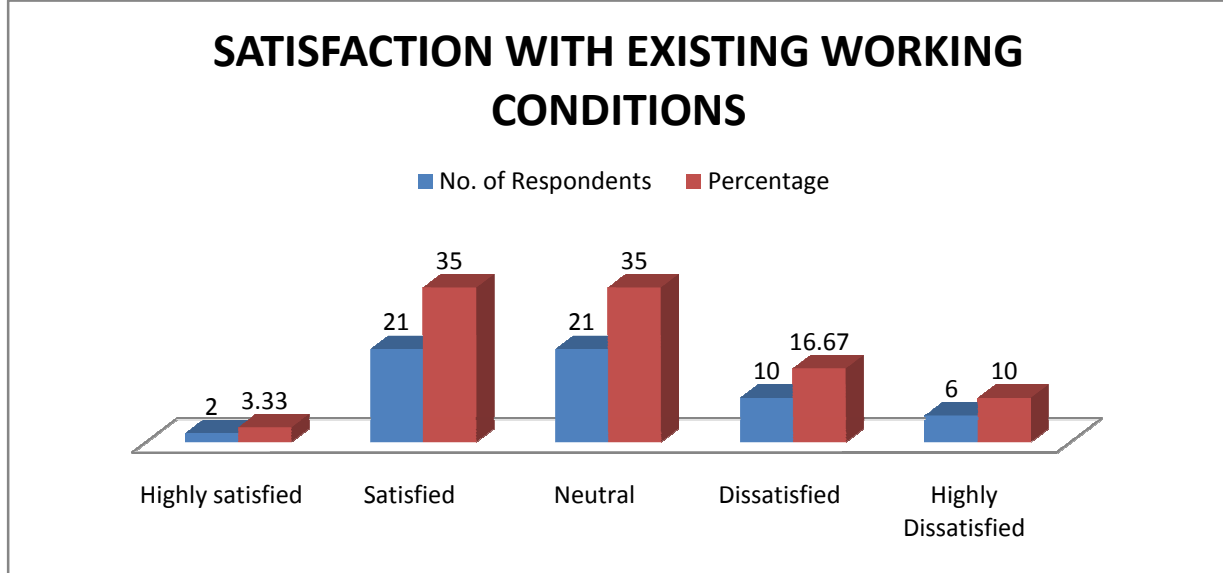


INTERPRETATION- It has been interpreted that 38% of respondents agree that they feel bored when engaged in their routine work, 27% of their view is neutral and also we can infer that 17% disagree, 15% strongly disagree and 3% strongly agree.

11. SATISFACTION WITH THE EXISTING WORKING CONDITIONS

Parameters	No. of Respondents	Percentage
Highly satisfied	2	3.33
Satisfied	21	35
Neutral	21	35
Dissatisfied	10	16.67
Highly Dissatisfied	6	10
Total	60	100

Table No. 11

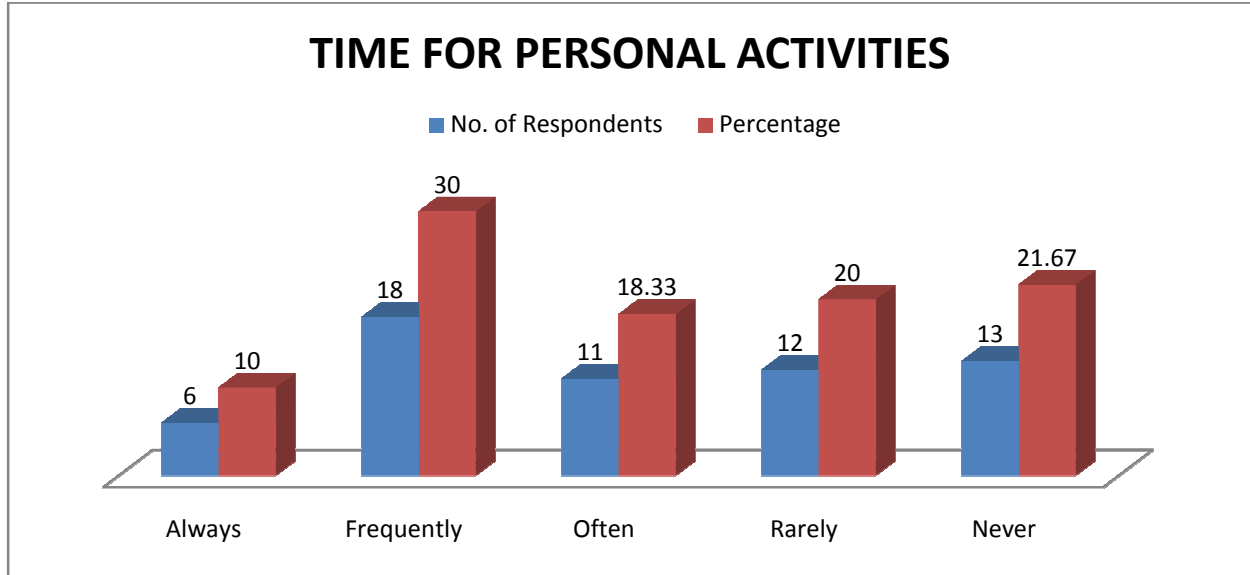


INTERPRETATION-It has been interpreted that 35% of respondents are satisfied with the existing working conditions, 35% seems to be neutral. Also, we can infer that 17% are dissatisfied and 10% are highly dissatisfied. Only 3% are highly satisfied employees.

12. TIME FOR PERSONAL ACTIVITIES

Parameters	No. of Respondents	Percentage
Always	6	10
Frequently	18	30
Often	11	18.33
Rarely	12	20
Never	13	21.67
Total	60	100

Table No. 12

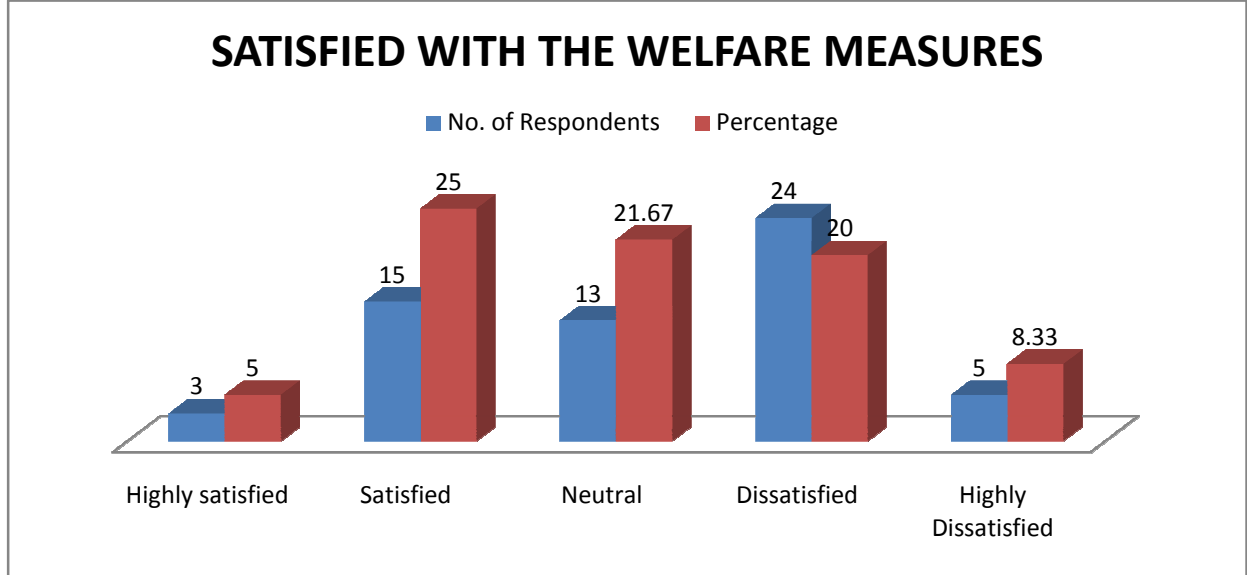


INTERPRETATION-It has been interpreted that 30% of respondents frequently get time to do things that are really important for them, 22% don't agree with this. Also we can infer that 20% who agree are rare cases and 18% only sometimes. 10% have enough time to deviate for their personal activities.

13. SATISFIED WITH THE WELFARE MEASURES

Parameters	No. of Respondents	Percentage
Highly satisfied	3	5
Satisfied	15	25
Neutral	13	21.67
Dissatisfied	24	20
Highly Dissatisfied	5	8.33
Total	60	100

Table No. 13

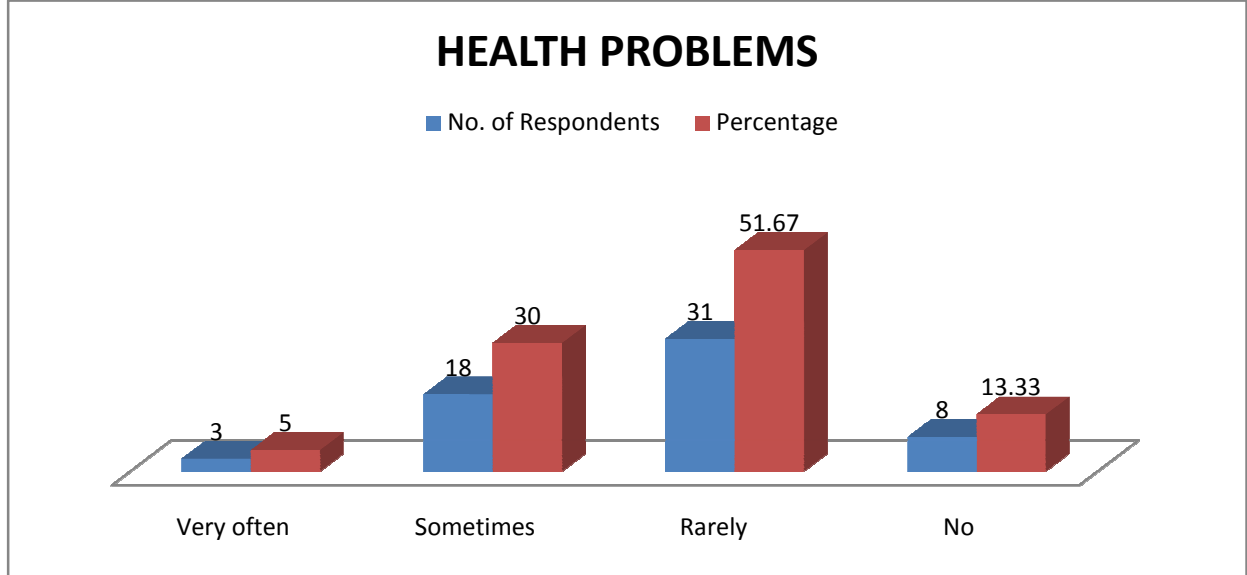


INTERPRETATION-It has been interpreted that 40% of respondents are dissatisfied with the welfare measures adopted by the company, 25% are satisfied and also we can infer that 22% seems to be neutral, 8% are highly dissatisfied and 5% are highly satisfied.

14. HEALTH PROBLEMS LEADING TO ABSENTEEISM

Parameter	No. of Respondents	Percentage
Very often	3	5
Sometimes	18	30
Rarely	31	51.67
No	8	13.33
Total	60	100

Table No. 14

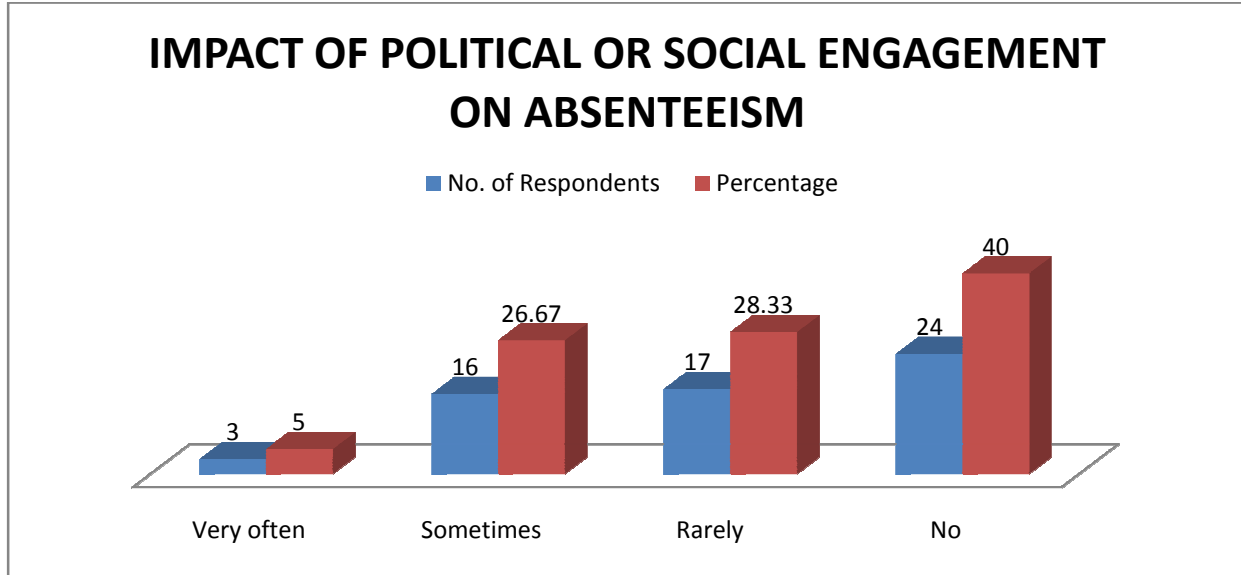


INTERPRETATION- It has been interpreted that 52% of respondents have the opinion that sickness makes them absent from work rarely, 30% says from time to time and also we can infer that 22% says sickness alone does not make them absent from work. 5% very often are absent due to health problems.

15. IMPACT OF POLITICAL AND SOCIAL ENGAGEMENT FORCE THEM TO BE ABSENT FROM WORK.

Parameter	No. of Respondents	Percentage
Very often	3	5
Sometimes	16	26.67
Rarely	17	28.33
No	24	40
Total	60	100

Table No. 15



INTERPRETATION-It has been interpreted that 40% of respondents have an opinion that the political and social engagement force did not make them absent from work, 28% feel it to be rare and also we can infer that 27% are satisfied and 5% very often keep themselves absent due to political or social engagements.

SUGGESTIONS OBTAINED FROM WORLERS:

The following suggestions were received from the workers to reduce absenteeism.

- Proper bus facility should be provided.
- Leaves should be given as and when required.
- The attitude of the immediate supervisor should be friendly and he should listen to the problems patiently.
- When injured the employee should be provided with leaves as well as proper medical facilities.

CONCLUSIONS: It is necessary in the end to summarize the findings and conclusions drawn from the present study. At present the ITC Ltd. occupies a prominent position in the Tobacco and Tourism Industry. The credit for this achievement goes to its management and workers who are really dedicated to this organisation. The exports of this company have been on an increase because of the effects and handwork of the employees. From the study it has been concluded that the workers have few a genuine problems for being absent from the duty. These problems include ill health, accident on duty or off duty, transportation, weather etc. But very few reasons are not genuine, like family, business, disciplinary action etc. Most of the employees come from near by villages and avail the company's bus service. The male workers are also provided with

the facility of free hostel for bachelors. So their attendance depends a lot on the bus services and the hostel facilities.

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